



***Fleet & Industrial Supply  
Center Norfolk, Virginia***

# **CNI - COMFISCS Partnership**

## **Logistics Alignment & Material Support Integration**

**June 8, 2004**

***Ready. Resourceful.  
Responsive!***

***CAPT Loren V. Heckelman, SC, USN  
Commanding Officer, FISC Norfolk***

# Agenda

- *NAVSUP Transformation*
- *Commander, Fleet & Industrial Supply Centers (COMFISCS)*
- *ACOS for Regional Commander Support (ACOS RCS)*
- *COMFISCS/CNI Alignment*
- *Risks/Sensitivities*
- *Next Steps*
- *FISC Norfolk and Regions Mid West, Mid Atlantic, Northeast and NDW*
- *Take Aways and Summary*

# ***CNO Priorities***

## ***Sea Power 21- Strategic Vision***

**Align efforts, accelerate progress, realize potential**

## ***Sea Enterprise- recapitalize and transform force***

**Right Force/Right Readiness/Right Cost**

***Improve Organizational Alignment***

***Refine Requirements***

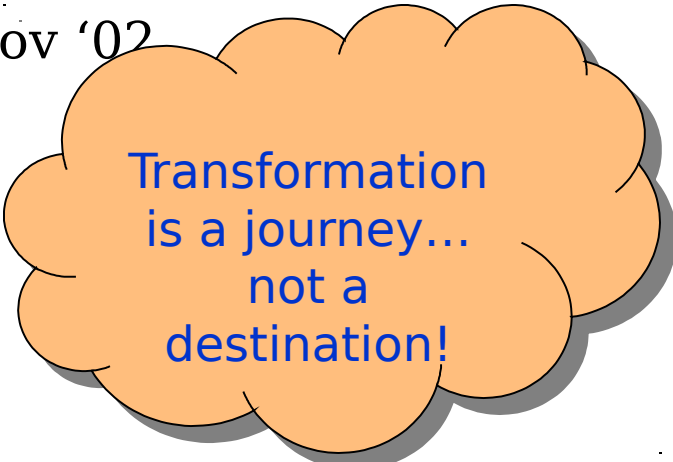
***Reinvest savings***

## ***CNI/Virtual SYSCOM MOA***

***“One of the overarching goals...is to align process, structure and standards and employ best business practices to provide effective, efficient Navy shore facilities and services.”***

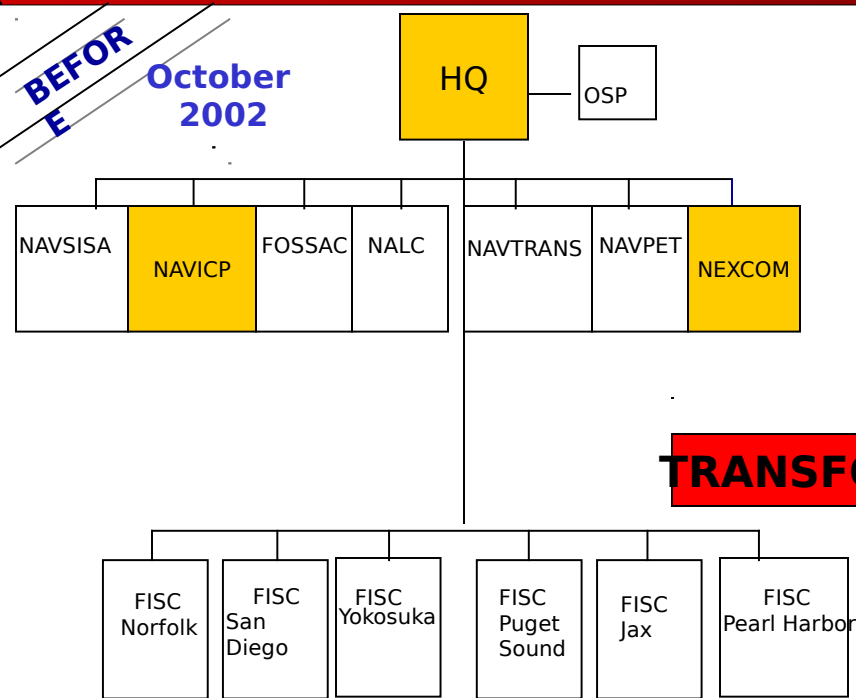
# NAVSUP Transformation

- Why?
  - CNO Alignment Message...Nov '02
  - Three-phased review
    - Functional
    - Structural
    - Customer
- When?
  - Immediate implementation...continuous process
- Outcomes?
  - Enterprise-wide thinking
  - Leverage information systems
  - Infrastructure consolidation...broker workload
  - Performance based enterprise

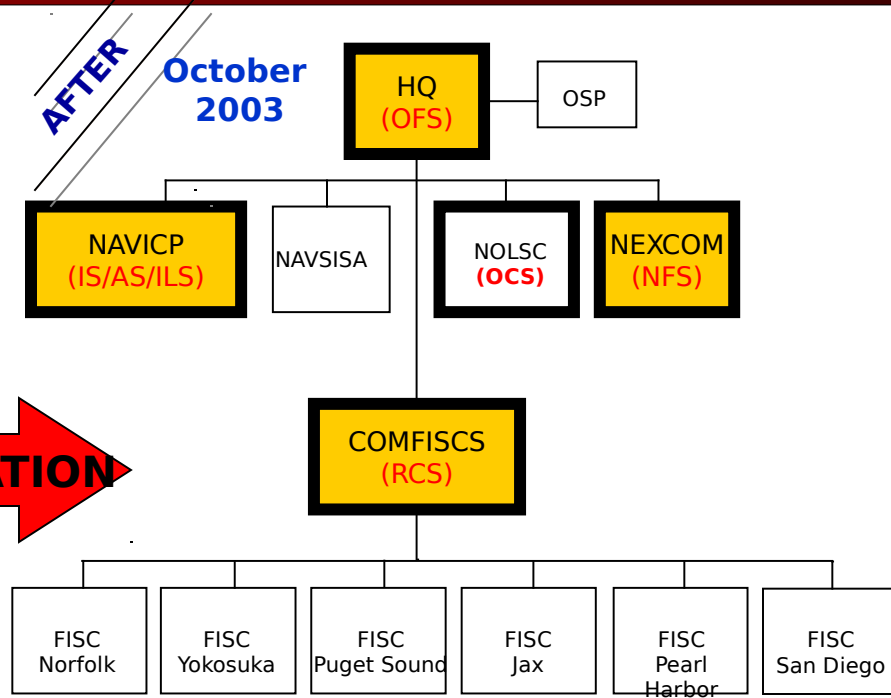


Transformation  
is a journey...  
not a  
destination!

# Before & After Transformation



**TRANSFORMATION**



Fitting Out & Supply Support Assistance Center (FOSSAC)  
Fleet & Industrial Supply Center (FISC)  
Naval Ammunition Logistics Center (NALC)  
Naval Inventory Control Point (NAVICP)  
Naval Transportation Support Center (NAVTRANS)  
Navy Clothing & Textile Research Facility (NCTRF)  
Navy Exchange Service Command (NEXCOM)  
Navy Petroleum Office (NAVPET)  
Navy Supply Information Systems Activity (NAVSISA)  
Office of Special Programs (OSP)  
Naval Operational Logistics Support Center (NOLSC)

ACOS Operational Forces Support (OFS)  
ACOS Industrial Support/Acquisition Support/  
Integrated Logistics Support (IS/AS/ILS)  
ACOS Operational Commander Support (OCS)  
ACOS Navy Family Support (NFS)  
ACOS Regional Commander Support (RCS)

Designated  
Customer  
Focus

# COMFISCS Authorization

## OPNAV NOTICE 5450 dated 6 June 2003

- ✓ ***Formulate common policy and procedures across all FISCs***
- ✓ ***Implement best business practices in support of fleet and ashore commands***
- ✓ ***Function as Assistant Chief of Staff for Regional Commander Support***
- ✓ ***Serve as NAVSUP's primary interface with Regional Commanders, CNI and OPNAV N46***
- ✓ ***Perform other functions as may be directed by NAVSUPSYSCOM***





# COMFISCS

## Veteran Players on a New Team

- **Over 3,500 People Worldwide**
  - ✓ *Six Supply Centers...Each with Over 50+ Years of “Can Do” support to the Navy*
  - ✓ *Operating from over 60 fleet, industrial and regional sites*
- **Transformed from six stand-alone units to a “Logistics Mega Merger”**
  - ✓ *Approved by OPNAV Notice 6 June 2003*
  - ✓ *Command stood up 25 July 2003*
  - ✓ *Executed key contracting and comptroller CONOPS (1 October 2003)*



Fast  
start!

**Mission:** To provide Navy, Marine Corps, Joint and Allied Forces quality supplies and services on a timely basis

# COMFISCS... Products & Services

- Inventory Mgt
- Custody Asset Mgt
- Container Reuse Center
- SERVMART
- Ocean/Air Terminal

**San Diego**

**Puget Sound**

**Norfolk**

**Jacksonville**

**Yokosuka**

**Pearl Harbor**

- ATAC DLR Mgt
- LSC Husbanding
- Material Processing Center
- eBusiness Support

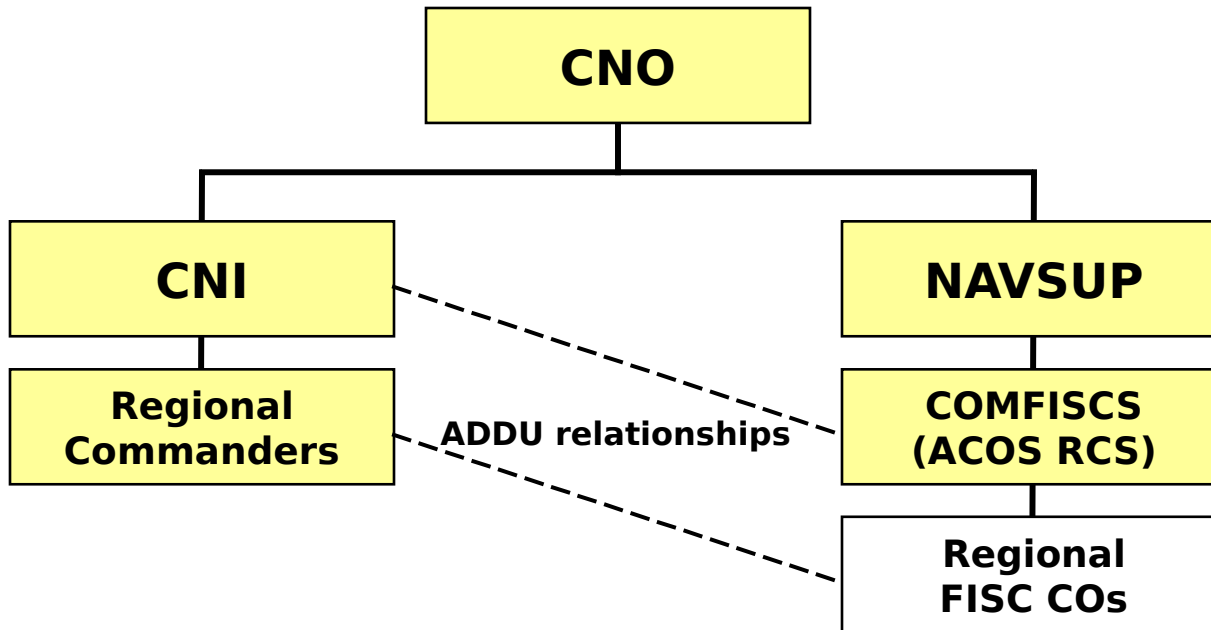
- Contracting
- HAZMAT Mgt
- FMS Support
- Regional MHE Support
- Regional HHG

- Deployed Force Logistics Support
- Fuel
- FAT/FEG/NFMT/ATM Assist Teams
- Regional Transportation

**Customer Base: Fleet (26%), Industrial (22%), Regional (28%), Other (24%)...evolving**



# ACOS Regional Commander Support (RCS)



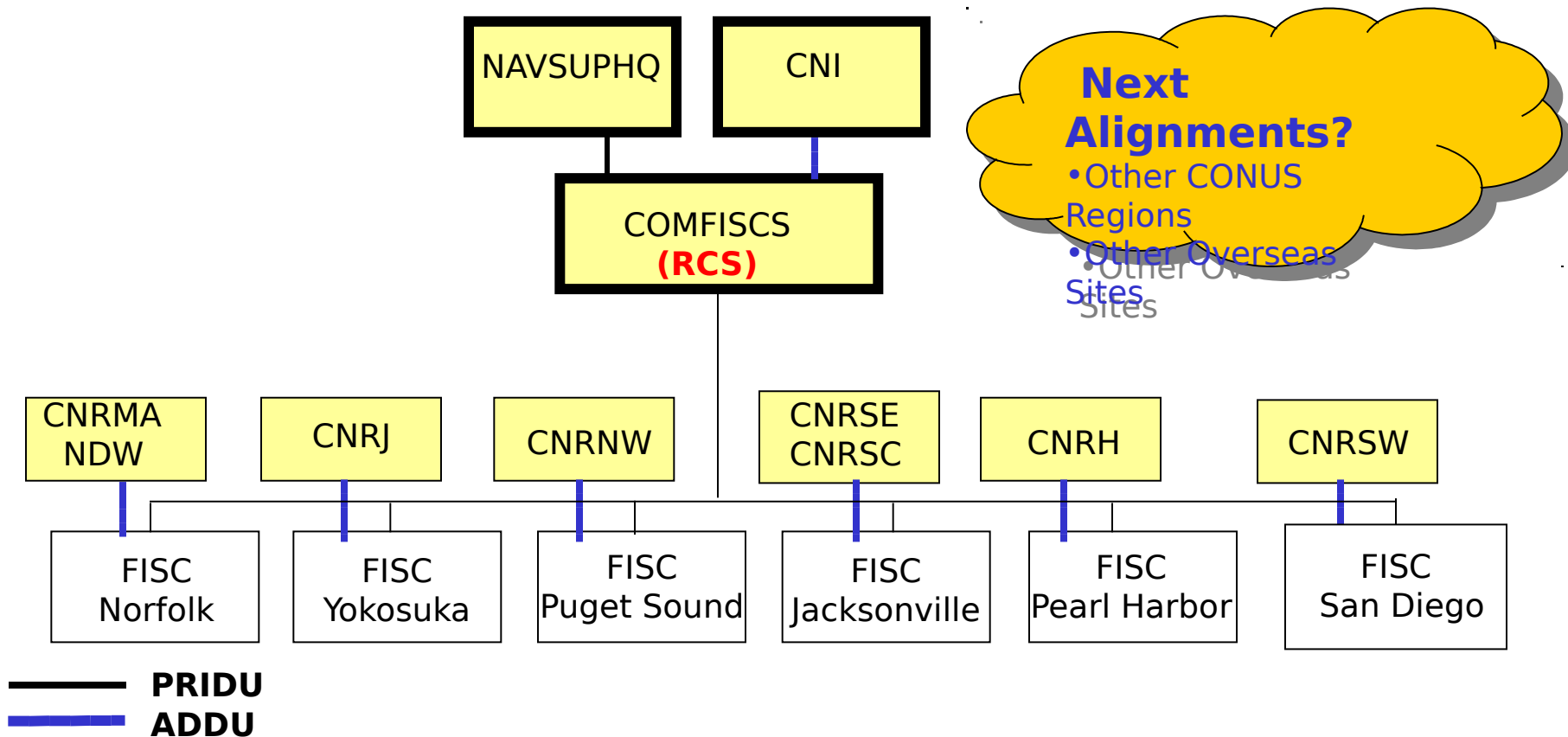
## Alignment:

- Provides authority to drive functional efficiency
- Allows leveraging of enterprise-wide capabilities
- Facilitates standardization of support
- Assures accountability for delivery of documented performance levels

## RCS Responsibilities:

- NAVSUP interface to CNI
- Pursue BOS/Supply Optimization
- Measure Associated Unit Cost
- Coordinate support to all Regional CDRs via respective FISC COs

# Pre-existing Regional Commander Ties



**IMAP Supply Focus: Inventory Management, Procurement, Warehousing, Fuel, HHG, HAZMAT, Mail and Minor Property**

# COMFISCS-CNI-SYSCOM Alignment

- Define and execute a plan

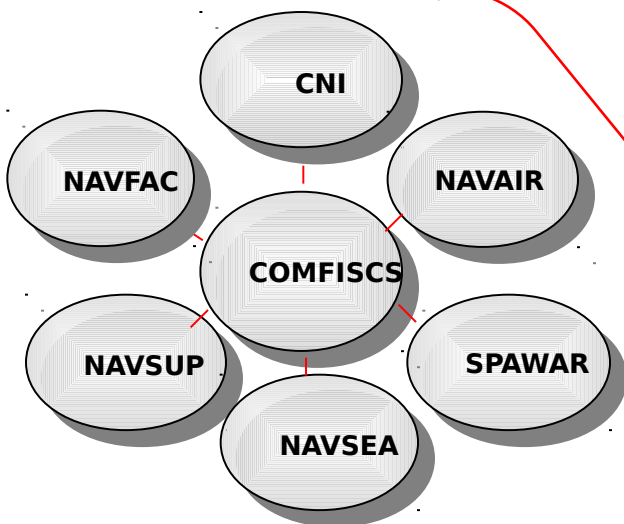
- Transfer Shore Installations' Management Contracting

- Transfer Supply Chain Management

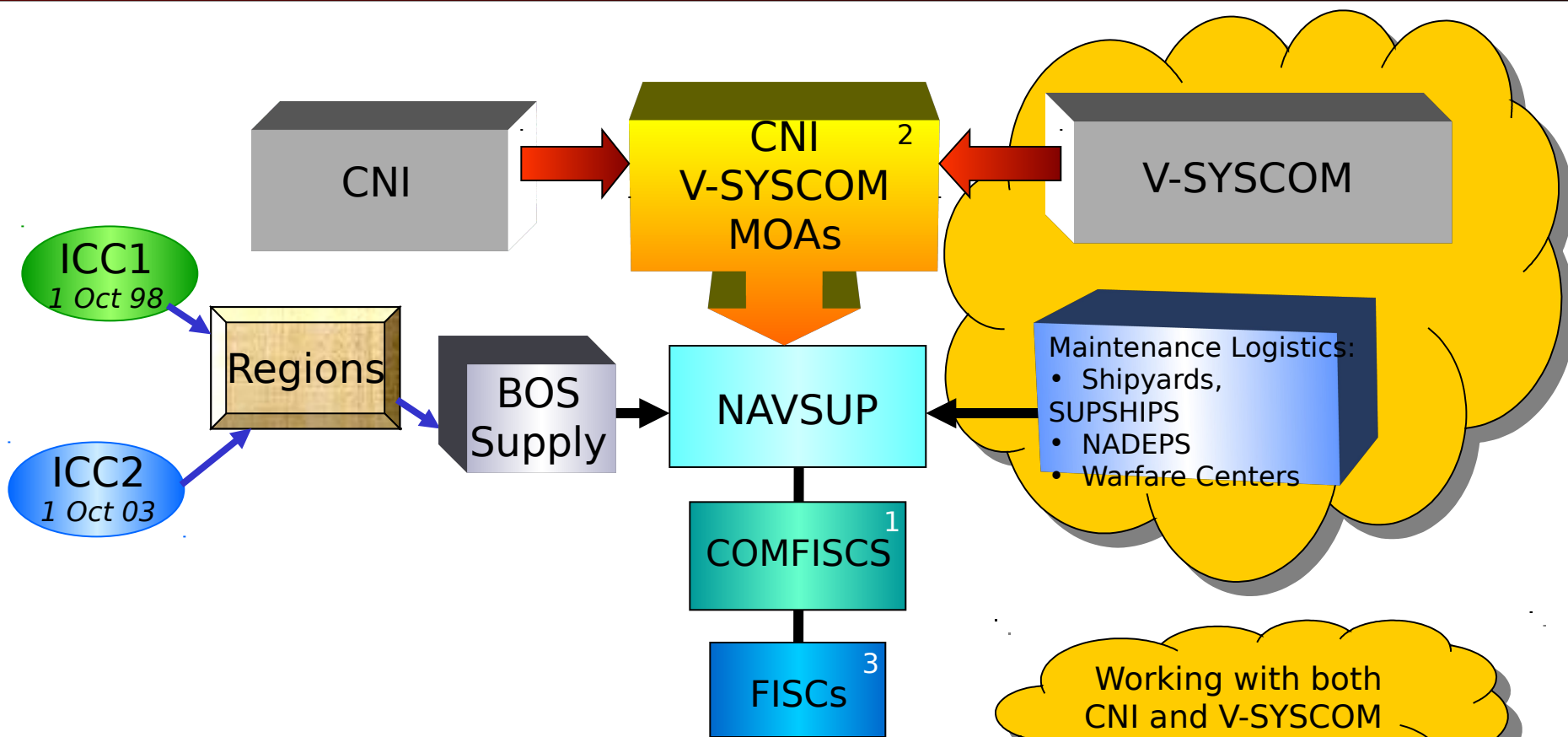
Create the most  
efficient  
and effective organization

- Align Staff, space, IT tools

- Align processes and procedures



# Transfer Process



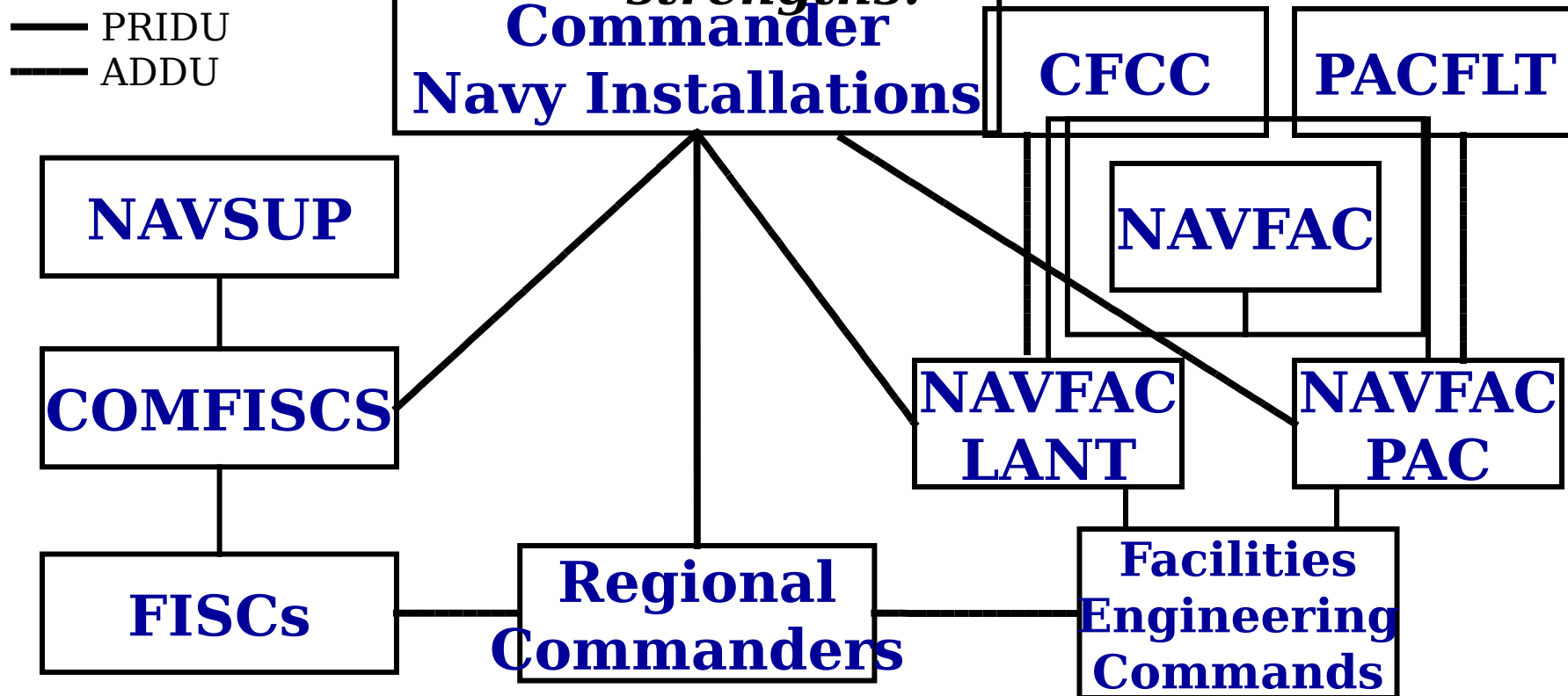
- 1** COMFISCS identifies and CNI transfers needed supply assets
- 2** CNI takes personal action in FY04 to achieve supply services savings
- 3** COMFISCS provides supply services to Regions via FISCs

# ***Logistics Alignment & Material Support Integration Guiding Principles***

- **Employ consistent standards and processes in the alignment of functions and execution of transfers**
- **Organize functions, tools, space, and infrastructure to provide the most effective support organization**
- **Establish open, pro-active communications between transferring and receiving activities**
- **Maximize opportunities for the workforce impacted by a transfer of BOS functions**
- **Provide resource transfer recommendations by April 2004**
- **Implement phased transfer (April-September 2004)**
- **Develop and sign operational MOAs prior to actual transfers**
- **NAVSUP/COMFISCS provide supply support as a reimbursable partnership**
- **Align FISC products/services to optimize customer support**

# New Organizational Relationships

*Leveraging off each other's strengths.*



**Alignment:**

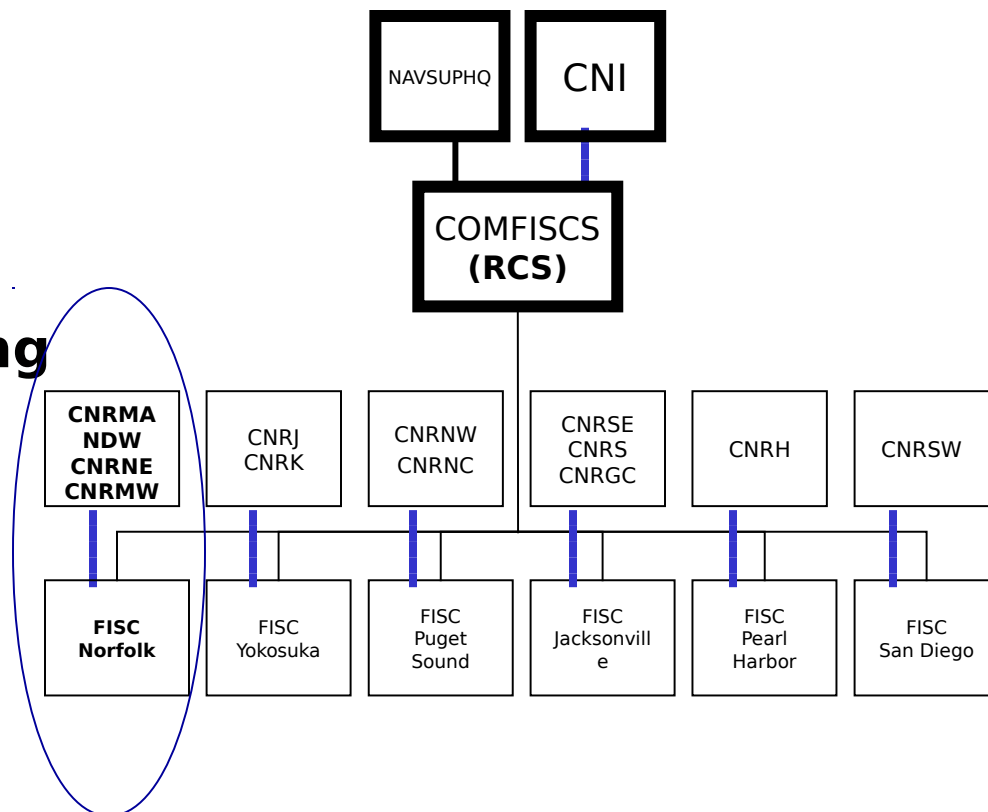
- Outsource supply and contracting to Navy experts
- Provides authority to drive functional efficiency

- Allows leveraging of enterprise-wide capabilities
- Facilitates standardization of support
- Matrix key staff: CIO shared with



# Objective: Meet CNI Commander's Intent

- Implement/improve standard business processes
- Reduce costs by streamlining delivery models and eliminating duplication
- Focus on metrics-based, output-driven resource investments
- Nurture trust, confidence, and communication



- Realign regional supply ops from CNI to NAVSUP/COMFISCS
- Drive down costs and drive up efficiencies to support Sea Power 21

# ***New Alignment***

## **Transferring to FISC/NAVSUP**

**Postal**

**Warehousing / Storage**

**Physical Distribution**

**MHE**

**Personal Property**

**BOS Procurement**

**Fuels**

**Inventory Management**

**LSC Operations**

**CHRIMP / HAZMAT**

## **Remaining with CNI**

***DPAS/ Minor Property- Realigning to Resource Program Manager***

***Purchase Card - Realigning to Resource Program Manager***

***Galleys***

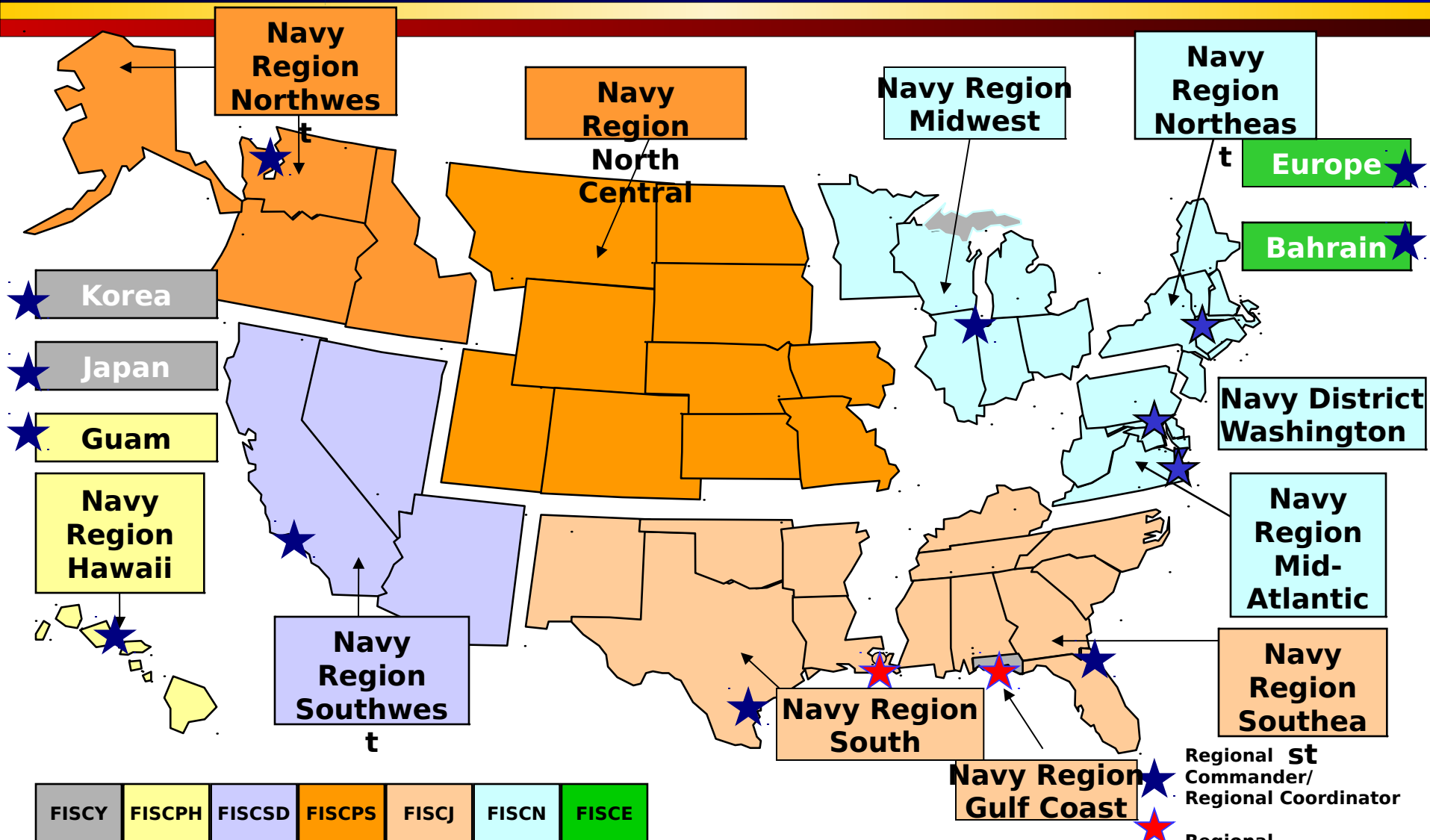
***BQs***



NAVAL SUPPLY SYSTEMS COMMAND  
FLEET & INDUSTRIAL SUPPLY CENTER NORFOLK

# Alignment

## FISCS (7), Regional Commanders (16)

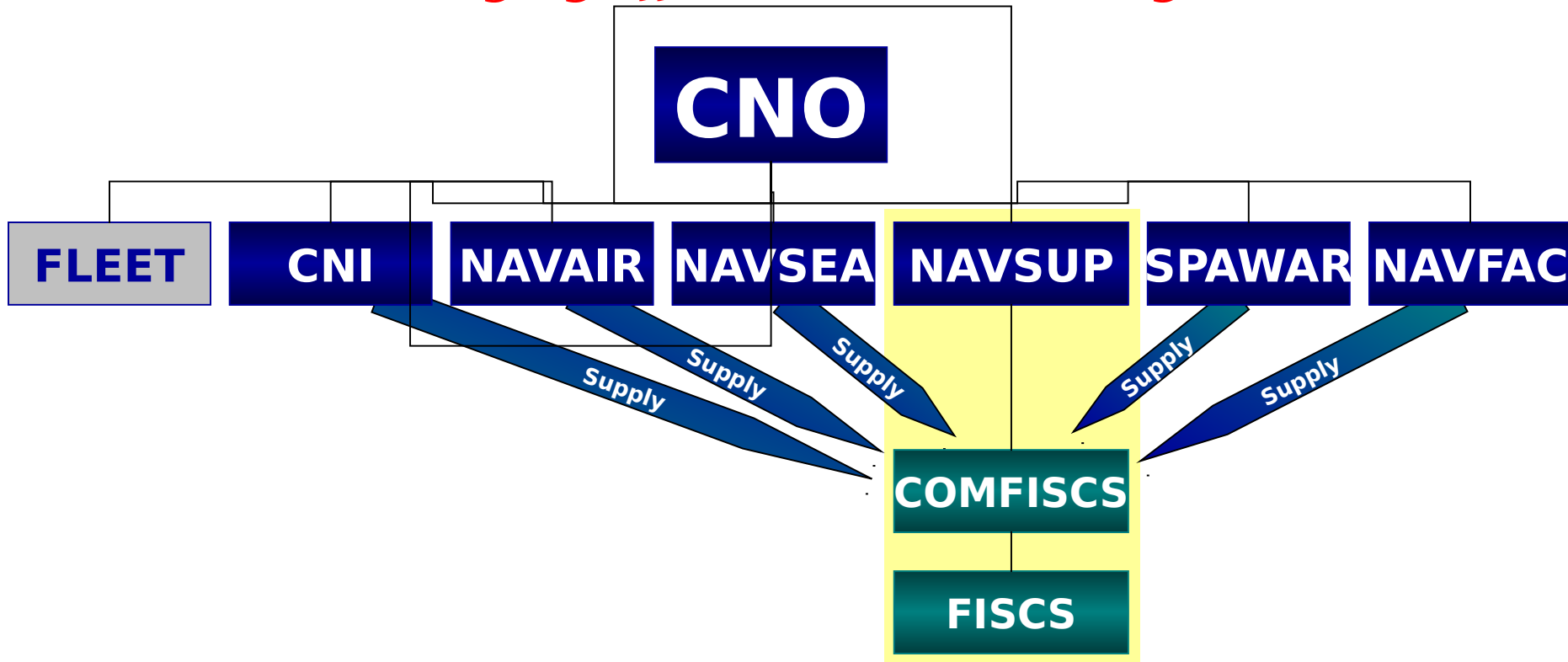


Regional st  
Commander/  
Regional Coordinator

Regional  
Commander/  
Local Coordinator 1

# Navy Supply Alignment End State...

*Leveraging off each other's strengths*

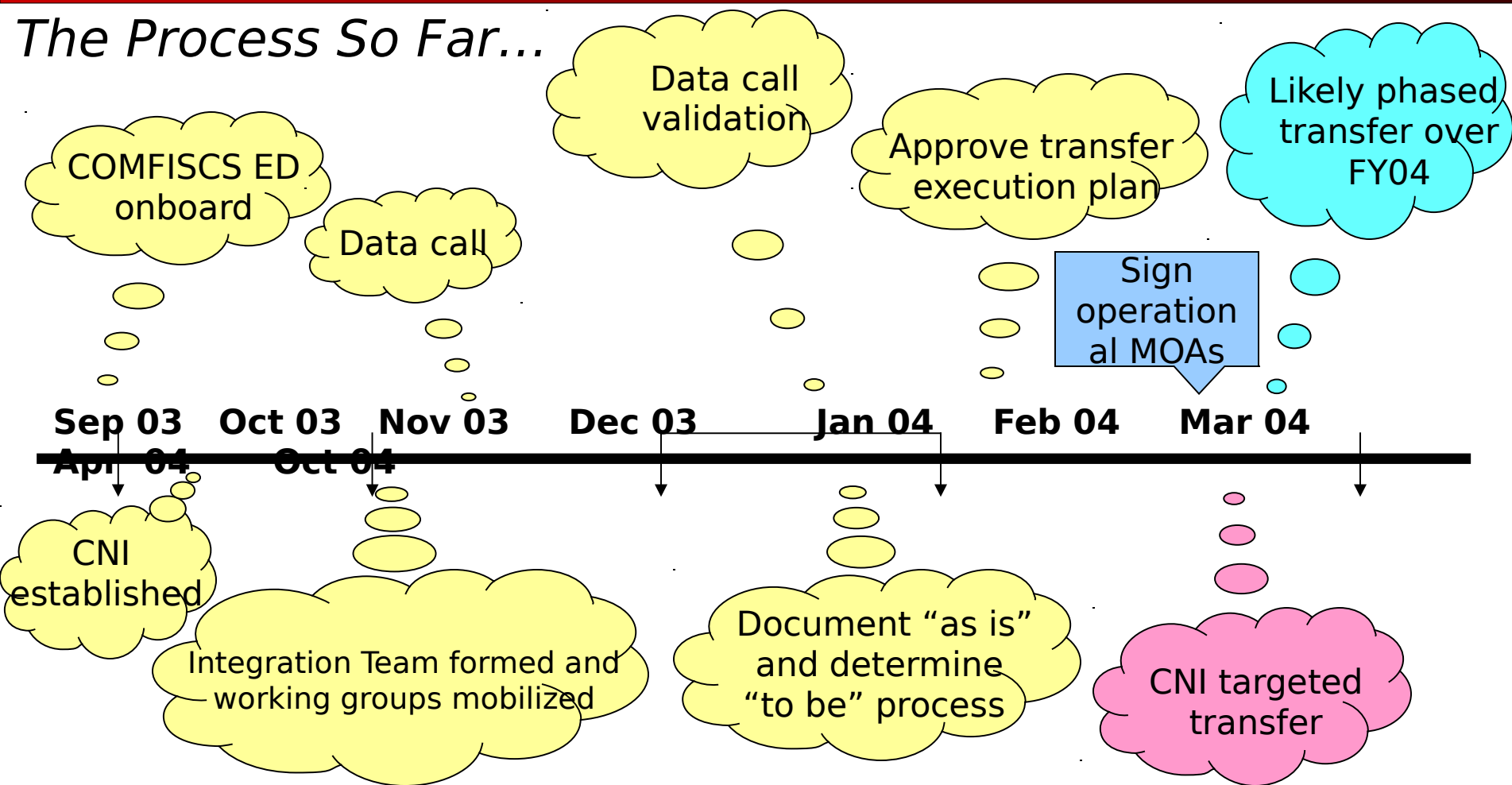


## Alignment:

- *Outsource supply and contracting to NAVSUP*
- *Provides authority to drive functional efficiency*
- *Allows leveraging of enterprise-wide capabilities*

# Action Plan

## The Process So Far...

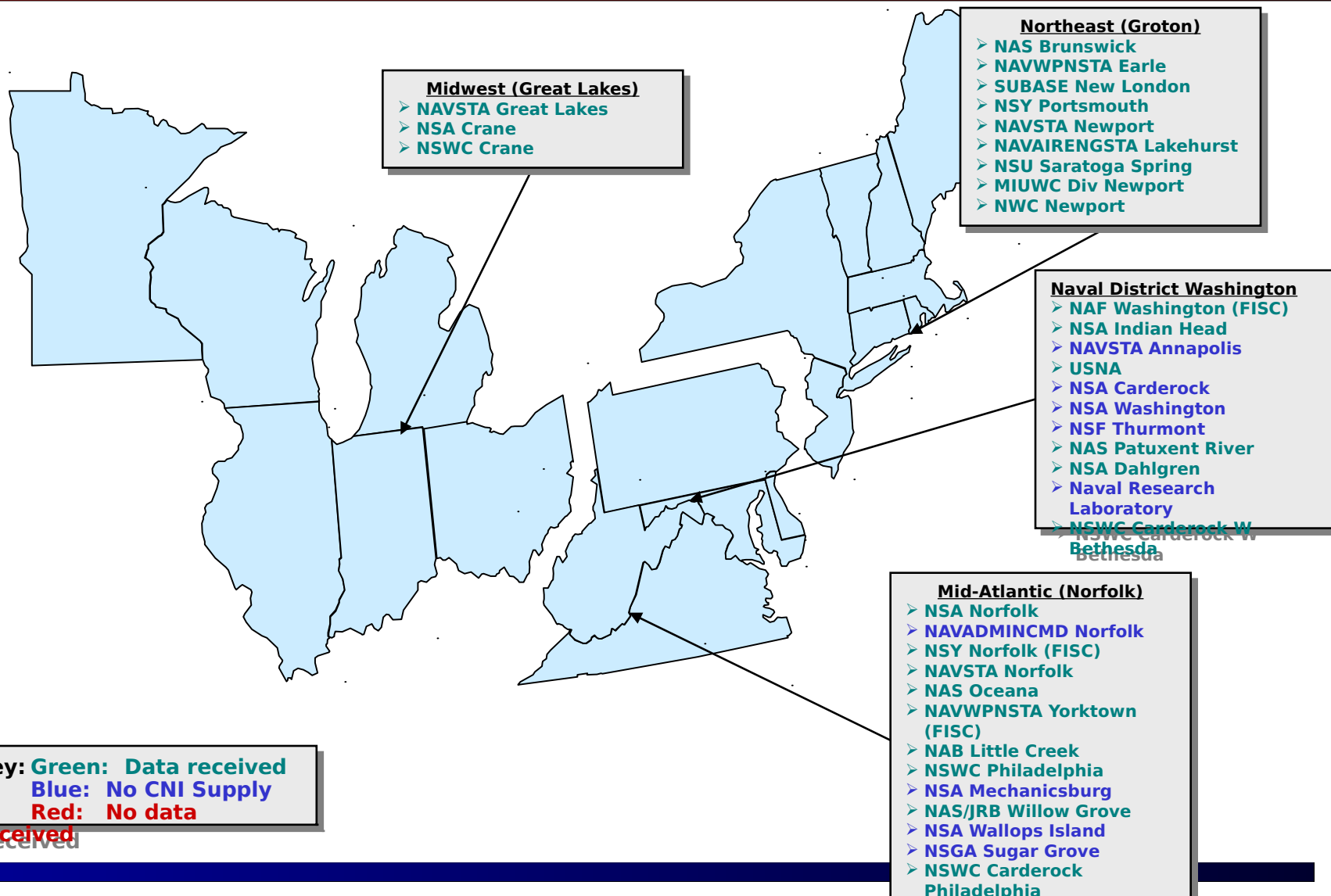


# ***Risks/Sensitivities***

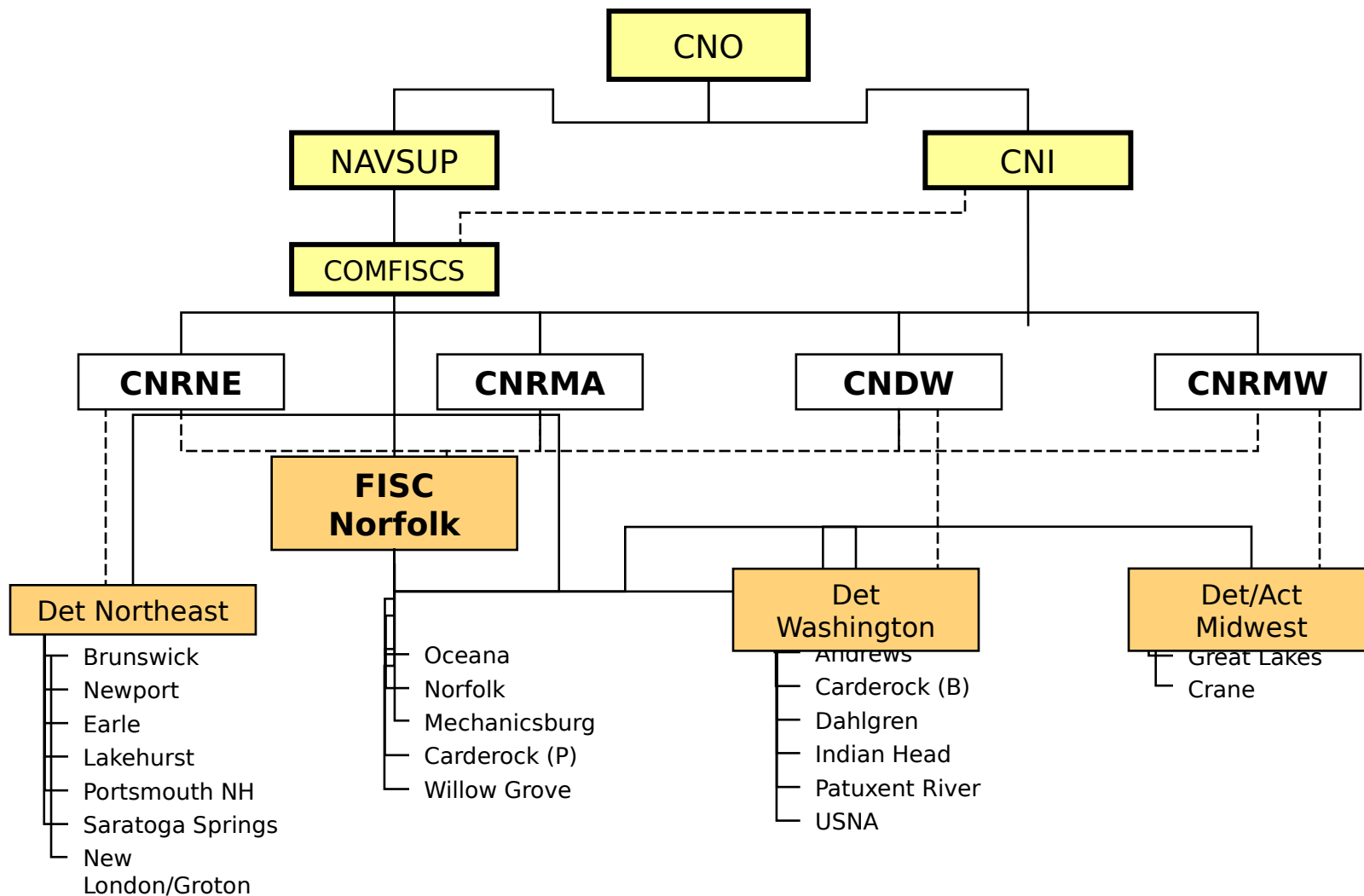
- **Timing of personnel movements...framed by HRO procedures/policies...could drive pace of change**
- **Union and congressional reactions...what will be the response to possible adverse actions (RIFs?)**
- **Must understand personnel transfer/financial links**
  - ✓ *Factor in reimbursable and working capital fund effects*
- **Build upon service level expectations with resource realignments...press beyond CL-3**
- **CONOPS development...define “to be” BEFORE not after functional relocation**



# FISCN Alignment



# Reporting Relationships



# CNI Alignment FISC Norfolk/CNRMW

## **BASELINE**

- As-is ES: 41
- As-is Labor: \$1,970,232
- BOS contract at Great Lakes
- 44% under MEO (HHG)

*NSA Crane  
NAVSTA Great Lakes*

## **RECOMMENDATIONS**

- To-be ES: 33
- To-be labor: \$1,615,248
- Savings: \$354,984
- Consolidated HHG within region
- Utilized staffing model and site visits
- ~~SIM~~ contracting: realigned small purchase;  
crane work to Great Lakes

## **RISKS**

- Minimal risk

## **ROAD AHEAD/OPPORTUNITIES**

- Consolidation of postal operations
- Detachment or Activities?

# **Mid West Supply Program What's Next**

- **NSWC Crane Transfer.....**  
**(ASAP)**
- **CNI Transfers..... (Oct 04)**
  - ✓ **NSA Crane**
  - ✓ **NAVSTA Great Lakes**

# CNI Alignment

## FISC Norfolk/CNRMA

### **BASELINE**

- As-is ES: 338
- As-is labor: \$17,517,342
- 83% under A-76 (Norfolk and Oceana)

*NS Norfolk, NAS Oceana  
NAS JRB Willow Grove*

### **RECOMMENDATIONS**

- To-be ES: 327
- To-be labor: \$17,061,526
- Savings: \$455,816
- Most savings at Willow Grove utilizing staffing model and site visit
- SIM contracting - closed two small purchase offices Norfolk & Oceana; realigned work at FISC Norfolk

### **RISKS**

- Results of A-76

### **ROAD AHEAD/OPPORTUNITIES**

- Further consolidation at Norfolk and Oceana may be restricted due to A-76 decision
- Elimination of R-Supply at Oceana
- Do not implement R-Supply at Willow Grove
- Centralize IM at FISC Norfolk under U-2

# ***Mid Atlantic Supply Program What's Next***

- **Completion of Retail Supply A76. . . . . (Sept 04)**
- **CNI Personnel Transfer**
  - ✓ ***NAS-JRB Willow Grove..... (Oct 04)***
  - ✓ ***NAS Oceana..... (Post MEO Implementation)***
  - ✓ ***NAVSTA Norfolk..... (Post MEO Implementation)***



# CNI Alignment FISC Norfolk/CNRNE

## BASELINE

- As-is ES: 496
- As-is labor: \$26,499,734
- 43% under FA Study
- 9% under MEO (HHG)
- Galleys at Lakehurst, Groton, & Brunswick not transferring

*PNSY, SUBASE New London,  
NAVSTA Newport, NALCS Lakehurst,  
NSA Saratoga Springs*

## RISKS

- Minimal risk

## RECOMMENDATIONS

- To-be ES: 434
- To-be labor: \$23,265,611
- Savings \$3,234,123
- Eliminated vacancies, temps, LIMDUs, targeted SIP/VERAs
- Other cuts/consolidations based on staffing model and site visits
- SCM contracting: closed two CNI small purchase offices Brunswick & Earle; realigned work at Newport/Groton
- Requires the establishment of a Detachment OIC

## ROAD AHEAD/OPPORTUNITIES

- Consolidate staff & admin at Earle & Lakehurst
- Consolidate "back room" warehouse functions
- Centralize SUBASE New London & Lakehurst  
U-2 with FISC Norfolk

- Streamline processes across regions

# **Northeast Supply Program What's Next**

- **Completion of Functional Assessment . . (May 04)**
- **Integration of FA results with proposed transferred staffing . . . . . (Jun/July 04)**
- **Implementation of Functional Assessment. . . . . (NLT Aug 04)**
- **Personnel Transfer . . . . . (OCT 04)**

# CNI Alignment FISC Norfolk/CNDW

## BASELINE

- As-is ES: 283
- As-is labor: \$16,393,265
- 7% of region under A-76 (NAS Pax)
- 30% under MEO (NAS Pax & NSA IH)
- NAS Pax minor property not transferring
- Supply remains POL manager

*NSA Dahlgren, NSA Indian Head  
NAS Pax, USNA*

## RECOMMENDATIONS

- To-be ES: 244
- To-be labor: \$14,353,054
- Savings: \$2,040,211
- Utilized staffing model and site visits
- ASD at NAS Pax transferring
- SIM contracting: consolidated all small purchase at Annapolis

## RISKS

- Minimal risk

## ROAD AHEAD/OPPORTUNITIES

- Centralization of IM at NAS Pax U-2 function with FISC Norfolk
- Consolidate USNA Personal Property (HHG) with NAS Pax
- Work with NAVAIR to stow SOM material at NAS Pax warehouse

# ***NDW Supply Program What's Next***

- **Completion of NAS PAX A76..... (Sept 04)**
- **Transfer NAVAIR Postal @ Pax..... (Oct 04)**
- **CNI Transfers**
  - ✓ **NAS Dahlgren..... (Oct 04)**
  - ✓ **NSA Indian Head..... (Oct 04)**
  - ✓ **NDW Hdqtrs..... (Oct 04)**
  - ✓ **USNA..... (Oct 04)**
  - ✓ **PAX..... (Post MEO Implementation)**

# ***Ongoing Timeline***

- **Data call tool development** November 03
- **Data call distribution** December 7, 03
- **Data call analysis** January 04
- **Site visits commence** February 04
- **Proposed To Be organization** April 1, 04
- **SIP/VERA Execution** April 1, 04
- **Final Transfer Decisions** May 04
- **Organizational transformation** May to September 04
- **Transfer Execution** NLT October 1, 04

# ***Next Steps***

- **Sign out NAVSUP/CNI MoA**
- **Complete the data calls**
- **Working groups analyze data call results...validate “as is”**
- **FISC COs, Integration Team, and stakeholders recommend “to be”**
- **Mobilize HRO, financial, and other subject matter experts**
- **Develop “service level expectation” MoAs**
- **Effect transfers as soon as possible**



# ***Takeaways***

- **COMFISCS stood up 25 July 03...focused on Regional CDR support**
- **Partnered with CNI to spearhead positive change sooner rather than later**
- **NAVSUP/CNI Integration Team is active and involved**
- **Data call criteria developed...results determine “next right step”**
- **Anticipate phased transfer approach...April 04 through October 04**
- **Aligning our FISC products/services to optimize IMAP support**

**Overall Objective: Driving down costs to support SEA POWER 21... working together to ‘get it right’ the first time**

# Summary



*The team:*

*CNI... Supporting the war fighter*

*NAVSUP... Delivering combat capability through logistics*